

Management Report on the Consolidated Financial Statement for the period ended 31 March 2020

1-Revenue, Profit and Earnings Per Share:

The improvement in the company's financial performance that started in the last quarter of 2019 remained steady into the first quarter of 2020. The benefits of the investments, in network, people and processes, made by the company in the last few years have started to manifest and its believed that in the coming quarters and years the company will reap the full benefits of these investments.

The comparative analysis below of the key performance indicators sheds more light on the Company's Q1 2020 performance compared to corresponding period in the previous year:

- a) Revenue from operation increased by USD 6 million (10%) from USD 61 million in Q1-2019 to USD 67 million in Q1-2020. Operating Profit also increased marginally by 4% from USD 10.7 million posted in Q1-2019 to USD 11.1 million posted in Q1-2020
- b) General and admin expenses as well as marketing, selling and distribution costs also dropped marginally by USD 0.3 million despite the increase in operating revenues. While we recorded USD 12.6 million in Q1-2019 it dropped to USD 12.3 million in Q1-2020.
- c) Net Income decreased by USD 1.8 million from USD 5.8 million reported in Q1 2019 to USD 4.0 million reported in Q1 2020. Earnings Per Share correspondingly decreased from USD 0.0048 per share in Q1-2019 to USD 0.0032 reported in Q1-2020.

2- Group Net Assets:

Compared to 31 December 2019, the Group Net Assets decreased by USD 44 million from USD 325 million to USD 281 million, as at 31 March 2020 due to the effect of currency devaluation.

3- Capital expenditure:

The Group spent USD 12.5 million on capital expenditure for the period ended 31 Mar 2020.

4- Operating Highlights:

Our mobile subscribers' position from various countries of operation of 12 million subscribers remained unchanged.

5- Financial risk:


The group is exposed to and affected by the instability and foreign exchange rate fluctuation being experienced in some countries of its operation. Steady growth in our foreign currency denominated revenue streams is expected to stabilize and mitigate the effect of the financial risk

6- Brief of the balance sheet:

	31-Mar-2020	31-Dec-19
Total Non -Current Assets	684,893,183	776,938,162
Total Current Assets	136,107,508	143,410,707
Total Current liabilities	314,657,037	351,306,999
Total Non -Current liabilities	224,985,623	243,844,636
Total Shareholders' Equity	281,358,031	325,197,234

7- Brief of the Income Statement:

	31-Mar-2020	31-Mar-19
Total Operating Revenues	67,111,559	60,756,046
Net Operating profit	11,088,827	10,737,978
Net Income	4,020,673	5,817,497
Earnings per share	0.0032	0.0048



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